

March 5<sup>th</sup>, 2013



To: Commissioner Andrew McAllister  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

Re: Order Instituting Information Proceeding  
Docket No. 12-HERS-1

CHEERS submits the following comments to the California Energy Commission (CEC) for inclusion into the Informational Proceeding to Improve the HERS Program, Docket #12-HERS-1. CHEERS used the Workshop Agenda as its guide for responses. The agenda topics that are covered in CHEERS's recent submission for recertification are left unanswered; however, CHEERS staff will be available at the workshop to clarify CHEERS's position for the Commissioner and staff.

### **Agenda Topic – Provider Quality Assurance Program**

CHEERS has developed a comprehensive QA program which will satisfy the requirements of the CEC, HERS Regulations and is fully prepared to follow those QA procedures entirely during the course of its business as a HERS Provider.

**How do the QA requirements impact the Providers business model?** This requires the providers to hire competent high level staff, fully knowledgeable of the HERS regulations and Title 24. A thorough QA program adds significant cost which must be included in the pricing supplied by the Provider.

**What changes should be made to the current QA requirements?** CHEERS believes the percentage of QA required should be evaluated and possibly reduced. At a minimum, a rater will have 1% of his/her tested and sampled units QA'd by a HERS Provider. As a result, CHEERS questions why there is a need to QA an additional 1 percent of the Providers remaining database of tested and sampled lots.

**How should QA be used in the development and training of Raters?** All aspects of the QA requirements should be included in the training given as part of the certification. However, the Provider's QA function should not be used as a training tool for the Rater. The primary purpose of the Provider's QA program is to evaluate a Rater's work and should not be confused with a Rater Training program. The Provider QA function is also not a cost effective way to deliver

training and it should be leveraged to identify the areas in which a rater requires additional training and the urgency of that training need.

**Would requiring Continuing Education Credits keep raters informed as to the latest techniques and requirements?** Yes, CHEERS would support this and believes it to be an excellent way to keep Raters informed.

**How can the QA Program be leveraged so that a Rater's re-certification depends on meeting QA requirements?** In order to re-certified, a rater is required to remain in good QA standing with CHEERS. The CHEERS QA program would not allow a Rater to obtain recertification if he/she is unable to successfully meet the CHEERS QA requirements.

**How would an independent third-party Quality Assurance company help HERS Providers meet the required QA goals and allow Providers to focus on their core business?** CHEERS would support transferring the QA function to a competent, independent third-party and would work with the CEC and other key stakeholders to better understand how this transition could be effectively completed and financed.

## **Agenda Topic – HERS Rater Disciplinary Process**

CHEERS has developed a comprehensive Disciplinary Process which will satisfy the requirements of the CEC, HERS Regulations and is fully prepared to follow that process entirely during the course of its business as a HERS Provider.

**Should decertification of a rater by one provider limit that rater's ability to become certified with another HERS Provider?** CHEERS does not support a mandatory decertification of a Rater amongst all Providers if he/she is decertified by a single Provider. Since the QA and rater disciplinary processes are not standardized across the industry, CHEERS prefers to rely on the procedures it has developed and vetted with the CEC.

**Should a HERS Rater decertification by one HERS Provider result in their decertification by all other HERS Providers where they may already have a certification?** CHEERS does not support this for the same reason as our response to the previous question.

**Should the disciplinary decision be overseen by an independent group?** No. This is a function of the HERS Provider.

**If so, how should this group be constituted and how should it function?**

## **Agenda Topic – HERS Rater Companies**

**Should the owner/operator of a Rater Company be required to be a certified HERS Rater in good standing?** No, CHEERS does not believe that this should be a requirement.

**Should corrective action taken against on Rater be applied to all raters of a Rater Company?**

No, CHEERS does not believe that this should be a requirement.

**Should individuals (not Raters) entering compliance document data into a HERS Registry need to be certified to do so?** No, CHEERS does not believe that this should be a requirement.

## **Agenda Topic – Conflict of Interest**

**Should the Regulations prohibit Raters from performing HERS verification on homes for which they were the energy consultant?** CHEERS does not see a reason why this prohibition should exist.

**Should providers be prohibited from accepting compliance documentation or rating work performed on homes where the Provider manages the above-code rating system?** Providers, or affiliated companies, should be allowed to project manage energy efficient programs, but any related energy modeling, installation, or 3<sup>rd</sup> Party inspection work that is directly under the financial influence of that Provider for said program should not be allowed to be entered into the Providers Registry. However, peripheral work that may result from that very same program, for which the Provider has no direct financial tie to, should be allowed to be entered into the Provider's Registry. For example, Company A, an affiliated company by ownership to the HERS provider, manages an Energy Efficiency (EE) Retrofit program in a local jurisdiction. The local jurisdiction program performs Whole House Home Energy (HERS II) Rating work as part of its scope. Company A has a direct financial relationship with the Whole House Home Energy Raters, and thus, any required Whole House Ratings from the program should not be allowed to be entered into the "affiliated" HERS Registry. However, any peripheral alterations work requiring Provider installation or 3<sup>rd</sup> party verification that derives from this program should be allowed into the HERS Registry as long as the installing subcontractor and HERS Rater working on the alteration do not have any financial tie to the HERS registry.

**Should Providers be prohibited from accepting compliance documentation or rating work in which an affiliate company has prepared or conducted the analyses for the compliance documentation?** Yes, CHEERS supports this prohibition.

**Should Contractors or their affiliates be prohibited from performing ratings on projects where they have installed energy efficiency measures?** Yes, CHEERS supports this prohibition.

## **Agenda Topic – Permissible HERS Provider Certification categories**

**Should HERS Providers be required to get certifications for all of the categories of Field Verification and Diagnostic Testing?** CHEERS would support working with the CEC and other key stakeholders to evaluate the pros and cons of requiring potential new HERS Providers to apply for certifications in all categories of Field Verification and Diagnostic Testing.

**Should Providers be approved for only one segment of the market?** See our comment to the first question in this Agenda Topic.

**How does segmenting the HERS industry impact consumers?** See our comment to the first question in this Agenda Topic.

**Should it be ensured that all aspects of Title 24 compliance are being offered by one or more Providers?** See our comment to the first question in this Agenda Topic.

In conclusion, CHEERS is very interested in the advancement of the HERS program's integrity as well as the HERS rating industry. CHEERS looks forward to working with the CEC staff and other interested parties on each of the Agenda topics listed above.

Sincerely,

Jason Lenzmeier  
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